

**GRAPHANO ENERGY LTD. (THE “COMPANY”)  
MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)  
FOR THE YEAR ENDED JULY 31, 2023**

Graphano Energy Ltd. (“Graphano” or the “Company”) was incorporated on October 5, 2020, as a newly formed, wholly owned subsidiary of Manganese X Energy Corp. (“MN”), a public company with its shares listed on the TSX Venture Exchange (the “Exchange”) to hold MN’s Lac Aux Bouleaux graphite property (the “LAB Graphite Property” or the “Property”) in the Province of Quebec, Canada. The intent was to serve as a vehicle for the separate listing on the Exchange (the “Listing”) of the shares of Graphano and the spin-out to MN’s shareholders of the Property providing greater focus to its further exploration and development as a separate operation, and this has been achieved. The spin-out has been accomplished by way of Plan of Arrangement (the “Plan”) and MN’s shareholders approved the Plan at a shareholders’ meeting held April 12, 2021. The Exchange provided its final approval for the Listing, and trading began on September 30, 2021, under the symbol of GEL.

Graphano is a British Columbia registered company with its Registered Office at 1000 - 595 Burrard Street Vancouver, British Columbia V7X 1S8, and it maintains a business office at 120 Carlton Street Suite # 219, in Toronto, Ontario. Its public filings are available at [www.SEDARplus.ca](http://www.SEDARplus.ca) and on its own website at [www.graphano.com](http://www.graphano.com).

Graphano’s shares trade on the Exchange under the trading symbol **GEL**, on the Frankfurt Stock Exchange as **97GO**, and on the US OTCQB as **GELEF**.

### **Personnel Considerations**

The Company’s Directors are Mr. Nathan Rotstein, Ms Luisa Moreno (Chief Executive Officer), Mr. James Richardson (Chief Financial Officer), Mr. Roger Dahn and Mr. Martin Kepman. Mr. Dahn is qualified to act as a Qualified Person pursuant to the provisions of National Instrument 43-101.

Wasserman Ramsay CPA’s have been named by the Board of Directors and shareholders to be the Company’s auditors and to report to the Company’s shareholders accordingly. Wasserman Ramsay is a firm of Canadian Chartered Public Accountants and is qualified by the Canadian Public Accounting Board to conduct audits of public companies and has been the Company’s auditor since incorporation.

The functional and reporting currency of the Company is the Canadian Dollar (“CAD”) and all dollar amounts (“\$”) herein refer to Canadian Dollars unless otherwise identified.

### **Forward Looking Statements**

While the Company is not (and does not intend to become) in the practice of making forecasts, it is obliged by the nature and purpose of MD&As to make certain forward-looking statements. All such statements are qualified in their entirety by the Company’s claim of “Safe Harbour” for such statements made in good faith.

This MD&A, except for historical information, may contain “forward-looking statements” that reflect Graphano’s current expectations and projections about future results. When used in this MD&A, forward-looking statements may be identified by the use of words such as “estimate”, “consider”, “anticipate”, “expect”, “objective”, “potential”, “forecast”, “believe”, “project”, “plan” and similar expressions or variations of such words. Forward-looking

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statements are, by their very nature, not guarantees of the Company’s future operational or financial performance and these statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, prospects and performance to differ materially from any future levels of activity, results, prospects and performance expressed in, or implied by, these forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements and there are no guarantees that any of Graphano’s projects will prove to be economic. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties referred to elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

**Company Objective**

It is the Company’s intention to be a significant entity in the graphite resource exploration and development business (and potentially other industrial minerals, especially those related to the rapidly expanding field of battery chemistry); and to assemble a significant resource for further development and potential future production.

The LAB and Standard Graphite Properties are the Company’s main projects, and there is ongoing exploration work at these properties to establish the magnitude of resources they may contain. The company also has the Dudley and Lac Vert Bouthiller concessions.

**Projects**

*Lac Aux Bouleaux*

The LAB Graphite Property is comprised of 14 mineral claims in one contiguous block totaling 738.12 hectares near the town of Mont-Laurier in southern Québec. The Property was subject to a 2% NSR, but, the Company entered into an agreement with the original vendors of the Property to acquire the whole of the NSR for 153,846 post-consolidation Graphano common shares valued at \$50,000, thereby cancelling the NSR.

The LAB graphite mineralization was discovered in 1957 and passed through several hands prior to being held by TIMCAL until November 2014, but then allowed to lapse. Finally, in 2019, it was acquired by Manganese X Energy Corp., the parent of the Company until the Closing of the Plan of Arrangement transaction.

The LAB Graphite Property is underlain by Precambrian age rocks of the Grenville Series comprised of quartzo feldspathic, garnetiferous paragneiss and limestone / marble beds. Quartzites are the least abundant of rocks in this Series. The igneous rocks which have invaded the metasedimentary sequence consist of gabbros, monzonites, anorthosites and diabase. Paragneiss is generally fine to medium grained with a variety of compositions such as, quartzo-feldspathic gneiss, biotite gneiss, biotite-garnet gneiss, biotite-garnet-silliminite

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gneiss and biotite-hornblende gneiss. All compositional varieties contain graphite.

The LAB Graphite Property lies adjacent to the south of TIMCAL’s Lac des Iles graphite mine in Quebec which has been a world class deposit and was producing 25,000 tonnes of graphite annually (which is generally recognized to be within a few years of exhaustion of its resource). There are several graphite showings and past producing mines in its vicinity. Graphite is commonly found in the Grenville Province rocks throughout this region and has been commercially mined from a number of deposits located between Mont-Laurier in the north and the Ottawa River to the south.

As indicated in the most recent National Instrument 43-101 technical report (dated June 8, 2021), in the Qualified Person’s opinion, the character of the LAB Graphite Property is sufficient to merit a follow-up work program which is now being diligently pursued (see press releases on SEDAR and [www.graphano.com](http://www.graphano.com)).

#### Standard Graphite

The Standard Project Option Agreement covers six claims totaling 355 hectares located 32 km northeast of the Company’s Lac Aux Bouleaux graphite project. At the closing of the Option Agreement the Vendor received 50,000 common shares of Graphano. On the first anniversary of the Option Agreement the Vendor will receive 50,000 additional shares of Graphano and on the second anniversary the Vendor will receive 100,000 additional shares of Graphano, plus a cash payment in the amount of \$20,000. The Vendor will retain a royalty of 2% net smelter returns on future production from the Standard Mine property. The Company will have the option to purchase the royalty for \$600,000 cash at any time.

The Standard Project includes an historical underground mine. The original operators produced graphite on a small scale between 1923 and 1930 but ceased operations due to the low price of graphite during the 1929 market crash. Moreover, it seems that the small-scale operation and the inefficient milling process known at that time may have led to the failure of the enterprise, but not for lack of ore.

#### Dudley and Lac Vert-Bouthillier

The Company has staked two sets of graphite claims, comprising the Dudley and Lac Vert-Bouthillier graphite showings, for a total of 11 claims, covering 600 hectares. The claims are 5 km and 10 km south from the Lac Aux Bouleaux project.

The development of historical graphite deposits as well as new discoveries, all within trucking distance, should allow for resource consolidation to one processing centre at Lac Aux Bouleaux.

#### **Annual Highlights**

The year ended July 31st, 2023, has brought positive achievements, with very successful exploration work on both the LAB and Standard Mine properties, where significant discoveries have been made. Below are a few examples of these achievements in more detail.

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**The LAB Project:**

Exploration programs at LAB during the year led to the discovery of a significant new area of graphite mineralization termed Zone 3 located only 200 metres northwest of the former mine site. The LAB project exploration drilling to date suggests that the relatively high-grade graphite horizons are locally folded and structurally thickened which can enhance the potential economics of mineralization. This is similar to the Lac des Iles deposit that has been mined for over 30 years and is located immediately adjacent to Graphano’s LAB property.

2022 Fall Trenching Program / Zone 3 Discovery (Release dated December 8, 2022)

The fall trenching program at LAB identified significant high grade graphite mineralization in the Zone 3 and 8 areas. A total of 51 channel samples were collected during the program. Significant channel results are shown below by Zone:

- Zone 3: TR22-2 returned 14.10% Cg over 3 m. TR22-10 returned 14.65% Cg over 5.0 m. TR22-11 returned 18.32% Cg over 3.72m. TR22-12 returned 14.37% Cg over 6.0m. TR22-13 returned 11.95% Cg over 4.0m and TR22-14 assayed 20.16% over 3.68m
- Zone 8: TR22-04 returned 5.72% Gf over 4.0m and TR22-05 assayed 5.79% Cg over 2.0m

2022 Zone 3 Drill Program (Release dated February 8, 2023)

25 drill holes were completed for a total of 1,779 metres. Most of the drilled holes were shallow (less than 60 m) to test the immediate depth and thickness of the graphite mineralization outlined by the trenching program. 23 holes were drilled to evaluate Zone 3 over a length of approximately 500 metres. One hole was drilled in Zone 8 and another one in Zone 4.

The Zone 3 drill program was very successful, with the majority of holes intersecting significant graphite mineralization over the 500 metre length of Zone 3. The mineralization outlined remains open for continued expansion. Highlight results include:

- Drill Hole LB22-33 intersected 6.26% graphitic carbon (Cg) over 13.7 meters (m) starting at 14.0 (m) drilled depth, including 11.95% Cg over 4.7 m at 14 m;
- Drill Hole LB22-45 intersected 9.09% Cg over 8.0 m at 68 m;
- Drill Hole LB22-52 intersected 7.17% Cg over 9.0 m at 36 m;
- Drill Hole LB22-39 intersected 4.72% Cg over 11.6 m at 36.4 m , including 6.56% Cg over 6.6 m at 36.4m;
- Drill Hole LB22-34 intersected 5.82% Cg over 9.0 m at 38.0 m, including 6.25% Cg over 3.50 m at 38 and 7.28% Cg over 4 m at 43 m;
- Drill Hole LB22-32 intersected 6.28% Cg over 8.0 m at 18.5 m;
- Drill Hole LB22-48 intersected 9.53% Cg over 5.0 m at 19.5 m

Only a single drill hole has been completed to date on the Zone 8 target. LB22-54 intersected 4.12% Cg over 6.0 m at 26 m drilled depth which indicates significant potential for this virtually unexplored target. Based on airborne EM results the Zone 8 target has an approximate 1000 metre length requiring further exploration

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**Standard Mine Project:**

Trenching and drilling completed to date at Standard has discovered three major zones of mineralization which have been tested from surface to a maximum vertical depth of approximately 60 metres locally. The mineralized zones have an interpreted combined length of more than 1,300 metres and remain open in all directions for further expansion.

2022 Fall Trenching Program (Release dated December 14, 2022)

An airborne geophysical survey was conducted at Standard in the summer of 2022, which confirmed the presence of two separate graphite related anomalies extending at least 500 metres and 600 metres in length, through the historical graphite mine surface workings. Four trenching locations were completed as an initial test of the two graphite related airborne trends. Fifty-seven samples were collected from the four trenches yielding very significant results:

- Trench 22-18: 6.21% graphitic carbon (Cg) over 26 metres
- Trench 22-19: 11.76% Cg over 10 metres
- Trench 22-20: 5.06% Cg over 10 metres
- Trench 22-21: 10.32% Cg over 9.5 metres

2022-23 Winter Drilling Program (Release dated February 24, 2023)

The winter drill program at the Standard Mine, that consisted of 14 holes totaling 1033 metres, intersected very significant graphite mineralization over more than a 500-metre length. The mineralized zones range in thickness from 3 to 20.5 metres with an average thickness of 9.3 metres. The mineralization has been tested from surface (to a maximum vertical depth of approximately 60 metres and remains open in all directions for continued expansion.

- Drill Hole ST23-10 intersected 5.11% graphitic carbon (Cg) over 20.5 meters (m) starting at 39.0 m drilled depth, including 6.7% Cg over 9.0 m at 41 m;
- Drill Hole ST23-11 intersected 7.44% Cg over 13.0 m at 31 m;
- Drill Hole ST23-13 intersected 8.99% Cg over 11.3 m at 4.2 m, and 7.65% Cg over 13 m at 56 m;
- Drill Hole ST23-05 intersected 5.79% Cg over 14.0 m at 4.6 m;
- Drill Hole ST23-07 intersected 5.5% Cg over 8.5 m at 17 m; and
- Drill Hole ST23-09 intersected 5.37% Cg over 8.0 m at 39 m, including 8.49% Cg over 3.0 m.

2023 Spring Trenching Program (Release dated June 14, 2023):

The spring trenching program at the Standard Mine intersected very significant graphite mineralization and successfully extended the mineralized zones by more than a 225-metre length. A total 111 channel samples were collected from the 9 separate trenches during the 2023 Spring program yielding the follow significant results:

- NW Gf Trend: TR23-25, returned 8.91% graphitic carbon (Cg) over 23 m, including 12.09% Cg over 14 m and a second zone assaying 10.87% Cg over 6 m;
- Hole 13 Gf Trend: TR23-26 returned 15.17% Cg over 7 m and a second zone of 15.30% Cg over 6 m;

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- SE Gf Trend: TR23-23 returned 8.6% Cg over 3 m, 4.62% Cg over 4 m and 10.01% Cg over 3m. TR23-27 assayed 10.27% over 3 m

**Outlook for 2024 Fiscal Year**

To date, 71 drill holes have been completed on four of the eight zones at LAB and the Standard Mine projects for a total of 5,593 metres. Exploration results at both projects during the year have been exciting with major advancements.

Following the completion of Phase II drilling at the LAB and Standard projects, the Company has engaged qualified engineering firms to determine a timely path to production.

- Mercator Geological Services, a leading Canadian firm on resource estimation, was engaged by the Company to help design future drilling programs and to prepare a resource estimate for the LAB and Standard projects.
- WSP Canada Inc. was engaged to perform an analysis of the permitting requirements to fast track the development of the Company’s LAB and Standard projects, assuming an initial lower production quarry model.
- SGS Canada Inc. (“SGS”) has been engaged to carry out metallurgical testing for both the Standard Mine and LAB projects. Sample material has been collected from drill core from Standard and 3 of the deposits at LAB (Zone 1, Zone 3 and the historical Orrwell Zone) Samples from each zone will be tested separately and a master composite that mimics a potential mill feed will also be tested. This metallurgical program is the first phase in the development of a flowsheet for the production of graphite anode material for batteries that are used in electric vehicles and other industrial applications. Results are expected in 2024.

The company expects to commence further drilling programs before the end of the year. Depending on the success of the drilling program, a mineral resource estimate may be prepared for the LAB and Standard properties within the next 12 months.

**Statement of Financial Position as at July 31, 2023**

The financial position of the Company as at July 31, 2023, is:

	<b>July 31, 2023</b>	July 31, 2022	July 31, 2021
	\$	\$	\$
Current assets	<b>2,445,135</b>	3,630,707	4,096,979
Non-current assets	-	-	-
<b>Total assets</b>	<b>2,445,135</b>	3,630,707	4,096,979
Current liabilities	<b>24,902</b>	193,763	4,102,979
Shareholder's Equity	<b>2,420,233</b>	3,436,944	(6,000)
<b>Total liabilities and Equity</b>	<b>2,445,135</b>	3,630,707	4,096,979
Working capital	<b>2,420,233</b>	3,436,944	(6,000)

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As of July 31, 2023, Graphano had working capital of \$2,420,233 compared to \$3,436,944 at July 31, 2022. The Company and its Board consider this to be a very satisfactory level of funding which should serve the Company very well through the present period of difficult markets. The Company will continue to keep itself focussed on its long term objectives.

Cash flows used in operating activities, for the year ended July 31, 2023, were -\$1,273,078 (owing primarily to expenditures with exploration and evaluation of the Company’s projects as well as management, professional and consulting fees).

Cash flows used in investing activities for the year ended July 31, 2023, were Nil.

Cash flows from financing activities for the year ended July 31, 2023, were Nil.

Current assets as at July 31, 2023, include cash and cash equivalents of \$2,080,644 as well as other current assets (receivables, prepayments, and tax receivables) of \$364,491. The Company’s policy is to invest cash which is surplus to its immediate needs in Guaranteed Investment Certificates of low risk issuers (specifically the Company’s Schedule A Canadian bankers) which are cashable in the event that the Company should need the additional cash for acquisitions or other needs.

Accounts payable and accrued liabilities were \$24,902 as at July 31, 2023. Included in the accounts payable and accrued liabilities for this period is an amount of \$2,036 due to related parties of the Company (See Related Party Transactions for additional information).

Shareholders’ Equity was positive \$2,420,233 as at July 31, 2023. The detail of the Shareholders’ Equity is:

	<b>July 31, 2023</b>	July 31, 2022
	\$	\$
Share capital	<b>4,200,129</b>	4,189,129
Reserves	<b>2,310,039</b>	2,310,039
	<b>6,510,168</b>	6,499,168
Deficit	<b>(4,089,935)</b>	(3,062,224)
<b>Total shareholders' equity</b>	<b>2,420,233</b>	3,436,944

**Capital Resources**

It is the intention of the Company to manage its Capital (Shareholders’ Equity including Share Capital, Reserves and Deficit) to ensure that it has sufficient resources and liquidity to meet its obligations as they fall due and provide for its future operations for a reasonable time into the future. As such, and given that the Company’s prospective revenues amount to only the modest amount that it may be able to earn on cash deposits, the Company is carefully monitoring its resources by comparison to the costs of its exploration plans to establish the extent and quality of its resource on its LAB Graphite Property.

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**Common Shares Issued:**

- a) On September 3, 2021 the Company consolidated its shares on a 1:6.5 basis.
- b) On September 1, 2021, the Company issued 76,923 post consolidation common shares to each of Lawrence Nemeth and Geomap Exploration Inc. at \$0.325 per share to repurchase the royalty they previously held on the Lac Aux Bouleaux graphite property. The property is now free of royalty interests and held 100% by the Company.

On December 23, 2021, the Company issued 1,562,500 Flow through units (“FT Unit”) at a price of \$0.80 per FT Unit for aggregate gross proceeds of \$1,250,000. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant (a “Warrant”) of the Company, whereby each whole Warrant of the Company entitles the holder thereof to purchase a common share of the Company at an exercise price of \$1.10 until December 23, 2023. In connection with the Offering, the Company paid a cash finder’s fee of \$75,000, representing 6% of the Proceeds raised from investors introduced to the Company by GloRes Securities Inc., and issued an aggregate of 93,750 finders’ warrants, representing 6% of the number of FT Units sold under the Offering. Each finder’s warrant is exercisable into a Share at an exercise price of \$1.10 until December 23, 2023. The fair value of the warrants at issue date (including the finder’s warrants) was \$267,294, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.53; 125% expected volatility (estimated on assumed volatility of 125%, as ‘Graphano’ does not have volatility history), risk free interest rate of 1.04%; and an expected dividend yield of 0%. Volatility is estimated based on the experience of similar companies owing to the Company’s very short trading history.

The common shares were issued at a premium on the date of issuance resulting in a flow through share liability in the amount of \$256,720. The liability was being reversed on a pro-rata basis as the funds were expended, and as a result of the Company completing the required expenditures as of December 31, 2022, the liability was fully reversed as at July 31, 2023.

- c) There were 50,000 shares issued at \$0.22 in June 2023 in connection with mineral claims purchase agreement for the Standard mine (see Note 9 to the Financial Statements for more details).

**Share purchase warrants:**

As at July 31, 2023, the movement in the number of warrants outstanding and their weighted average exercise prices are as follows:

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	Warrants #	Weighted average exercise price \$
<b>Balance - July 31, 2022</b>	<b>13,208,942</b>	<b>0.56</b>
-	-	-
<b>Balance - October 31, 2022</b>	<b>13,208,942</b>	<b>0.56</b>
-	-	-
<b>Balance - January 31, 2023</b>	<b>13,208,942</b>	<b>0.56</b>
-	-	-
<b>Balance - April 30, 2023</b>	<b>13,208,942</b>	<b>0.56</b>
-	-	-
<b>Balance - July 31, 2023</b>	<b>13,208,942</b>	<b>0.56</b>

As at July 31, 2023, the outstanding share purchase warrants were as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
\$0.52	12,333,942	2.08	Aug 2025
\$1.10	781,250	0.38	Dec 2023
\$1.10	93,750	0.38	Dec 2023
<b>Balance - July 31, 2023</b>	<b>13,208,942</b>	<b>1.97</b>	

**Stock options:**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company’s stock, not less than the previous day’s Closing Price, as calculated on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the board of directors. The option activity, under the share option plan and information concerning outstanding and exercisable options is as follows:

	No. of Options Vested	Weighted Average Exercise Price (\$)
<b>Balance - July 31, 2022</b>	<b>1,500,000</b>	<b>0.50</b>
-	-	-
<b>Balance - October 31, 2022</b>	<b>1,500,000</b>	<b>0.50</b>
-	-	-
<b>Balance - January 31, 2023</b>	<b>1,500,000</b>	<b>0.50</b>
-	-	-
<b>Balance - April 30, 2023</b>	<b>1,500,000</b>	<b>0.50</b>
-	-	-
<b>Balance - July 31, 2023</b>	<b>1,500,000</b>	<b>0.50</b>

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The fair value of the 1,500,000 stock options at the issue date (November 11, 2021) was \$649,591 calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of \$0.50; 132.80% expected volatility (estimated based on a peer company, as above) free interest rate of 1.10%; and an expected dividend yield of 0%.

As at July 31, 2023, stock options issued and outstanding are as follows:

	Options granted	Options exercisable	Weighted Average Exercise Price (\$)	Expiry dates
	1,500,000	1,500,000	0.50	Nov 2026
<b>Balance - July 31, 2023</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>0.50</b>	

As at July 31, 2023, and date of the MD&A the share structure of the Company is as follows:

Outstanding Shares	Warrants	Options	Fully Diluted
17,088,268	13,208,942	1,500,000	31,797,210

### Results of Operations

The Company currently has no operations generating sales and revenues (beyond the modest amount of interest referred to above). Details for the periods ended July 31, 2023, are:

For the period ended July 31,	Year ended	
	2023	2022
	\$	\$
<b>Revenues</b>	-	-
<b>Operating Expenses/(Income)</b>		
Expenditures on E&E properties	750,754	751,192
Management fees	306,000	358,200
Professional and consulting fees	61,820	401,412
Advertising and marketing	87,606	194,409
Foreign exchange loss	1,494	853
Other operating expenses	62,455	77,615
Stock-based compensation	-	649,591
	<b>1,270,129</b>	<b>2,433,272</b>
<b>Other Expenses/(Income)</b>		
Deferred income tax recovery	(138,718)	(118,002)
Interest income	(103,700)	(35,489)
	<b>(242,418)</b>	<b>(153,491)</b>
<b>Net loss and comprehensive loss</b>	<b>1,027,711</b>	<b>2,279,781</b>
Loss per share - basic & diluted	<b>0.060</b>	0.139
Weighted average number of shares outstanding	<b>17,043,488</b>	16,383,273

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**Summary of Quarterly Information**

Selected quarterly information is presented below in Canadian Currency (\$):

Quarter ended	Revenues	Net comprehensive loss for the	Net loss per share	Number of shares
	\$	\$	\$	\$
July 31, 2023	-	(158,499)	(0.009)	17,088,268
April 30, 2023	-	(132,384)	(0.008)	17,038,268
January 31, 2023	-	(638,878)	(0.037)	17,038,268
October 31, 2022	-	(97,950)	(0.006)	17,038,268
July 31, 2022	-	51,715	0.003	17,038,268
April 30, 2022	-	(713,638)	(0.042)	16,988,268
January 31, 2022	-	(991,438)	(0.059)	16,903,653
October 31, 2021	-	(626,420)	(0.041)	15,154,566

The earlier quarterly results mainly reflect non-recurring initial expenses of the Company while the most recent reflects the costs of the exploration work being undertaken. Results will vary significantly quarter by quarter as exploration programs tend to be episodic rather than continuous or smooth.

**Summary of Annual Information**

Year ended,	July 31, 2023 (year end)	July 31, 2022 (year end)
Net Revenues	-	-
Total Expenses	1,027,711	2,279,781
<b>Net Loss</b>	1,027,711	2,279,781
<b>Net Comprehensive Loss</b>	1,027,711	2,279,781
Loss per share (Basic)	0.060	0.139
Loss per share (Diluted)	0.060	0.139
<b>Total Assets</b>	2,445,135	3,630,707
<b>Total Liabilities</b>	24,902	193,763

**Transactions with Related Parties**

In addition to share issuances to which many of its Insiders were Subscribers, transactions with related parties were as follows:

For the year ended July 31,	2023 \$	2022 \$
Management and other fees paid to companies controlled by Officers and Directors	306,000	347,700
Share issue costs	-	145,000
Exploration expenditures paid to an officer as geological consultant to the company	44,572	-
Legal and professional fees paid to a firm of which Company's Secretary is a partner	3,665	-
Stock-Based compensation expense - directors and officers	-	562,979
	354,237	1,055,679

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Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

Included in the accounts payable and accrued liabilities	July 31, 2023	July 31, 2022
	\$	\$
Exploration expenditures due to directors	-	2,013
Owing to a legal firm in which the corporate secretary is a partner	2,036	-
	<b>2,036</b>	<b>2,013</b>

**Environmental, Social and Governance (“ESG”) Responsibilities**

The Company is vitally aware of its responsibilities to its communities and publics, especially those to its indigenous and other neighbours in its communities of operation. It will strive in all ways practicable to foster good relations with its neighbours, take their needs into account in its operations (especially their need for responsible employment) and operate in a context of social responsibility. More detailed statements in these regards will be included in future MD&A’s. It is the intention of the Company to establish a formal policy of community support, especially with respect to local indigenous peoples and of diversity (with respect to which, the Company is proud to identify its current achievements) in the near future. As it does not propose immediately to have Board Committees either for ESG or for Corporate Governance, it intends to delegate these functions to its Audit Committee as it is best representative of its Independent constituencies.

As a potential future supplier of graphite to the industrial world, the Company is immediately aware of the growing need for graphite in the battery industry and the role that will be played in the rapidly growing electrical vehicle market among others. The world’s rapidly growing acknowledgement of the realities of global warming and the impacts on climate change suggest that the growth in demand for graphite is likely to exceed population or other normal growth rates long into the future. There is a very significant element of catch up which needs to be addressed and achieved. The Company expects to benefit from this in higher price levels for its graphite needed to encourage the additional supply required.

The LAB Graphite Property project is located in a forested area and the growing incidence of major forest fires may have an adverse impact on future operations. The Company does not expect to be adversely impacted by rising sea water levels, but local flooding may be of increasing concern and the Company will be monitoring carefully for such potential adverse impacts.

The Company intends to put increasing attention on the needs and wishes of the communities surrounding the LAB property. The possibility of becoming a supplier to the nearby Imerys/Timcal mine which is in production but nearing exhaustion of its ore reserves is one that could become increasingly significant to the Company.

**Risk Factors**

Purchasing securities of the Company must be considered highly speculative due to the nature of the Company’s business and its present stage of development. A purchase of such securities involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to assume such risk. The principal risks and

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uncertainties are summarized below. These do not necessarily comprise all of those that are potentially faced by the Company and are not intended to be presented in any assumed order of priority.

*Management*

The Company is dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. Further, management is comprised of a relatively small number of key officers and consultants, the loss of any of whom could have an adverse effect on the Company’s performance.

*Additional Financing*

In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable.

*Environmental Risks*

The Company may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties.

*No Mineral Resources*

The Company is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance given by the Company that continuing work on the property(ies) will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

*Regulatory Requirements*

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

*Title to Property*

There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property.

*ESG Risk Factors*

The Company intends to put increasing attention on the needs and wishes of the communities surrounding the property(ies). There is no guarantee that the local community will support activity, and as such, may take actions to have the Company cease operations in the area.

*Factors Beyond the Company’s Control*

The potential profitability of mineral properties is dependent upon many factors beyond the

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Company’s control. For instance, world prices and markets for minerals are unpredictable, highly volatile, and potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company’s control, and such fluctuations will impact on profitability and may eliminate profitability altogether.

**Statement of Compliance and Exemption**

The accompanying financial statements have been audited and reviewed by the Company’s auditor Wasserman Ramsay and is included here and in the accompanying financial statements for comparative and other purposes.

**Subsequent Events**

There are no significant or material events to report since July 31, 2023. We encourage readers to keep themselves informed by subscribing to the Company’s press releases.

**Off Balance Sheet Arrangements**

The Company has no off balance sheet arrangements.

**Other**

The Company now maintains its website at [www.graphano.com](http://www.graphano.com) and will post exhibitions of its primary SEDAR filings, corporate and investor presentations and other useful information.

Management welcomes comments and questions from investors and other members of the public and suggestions for improvement in its communications, presentations and this document.

On behalf of the Board of Directors:

Dr. Luisa Moreno  
November 24, 2023